

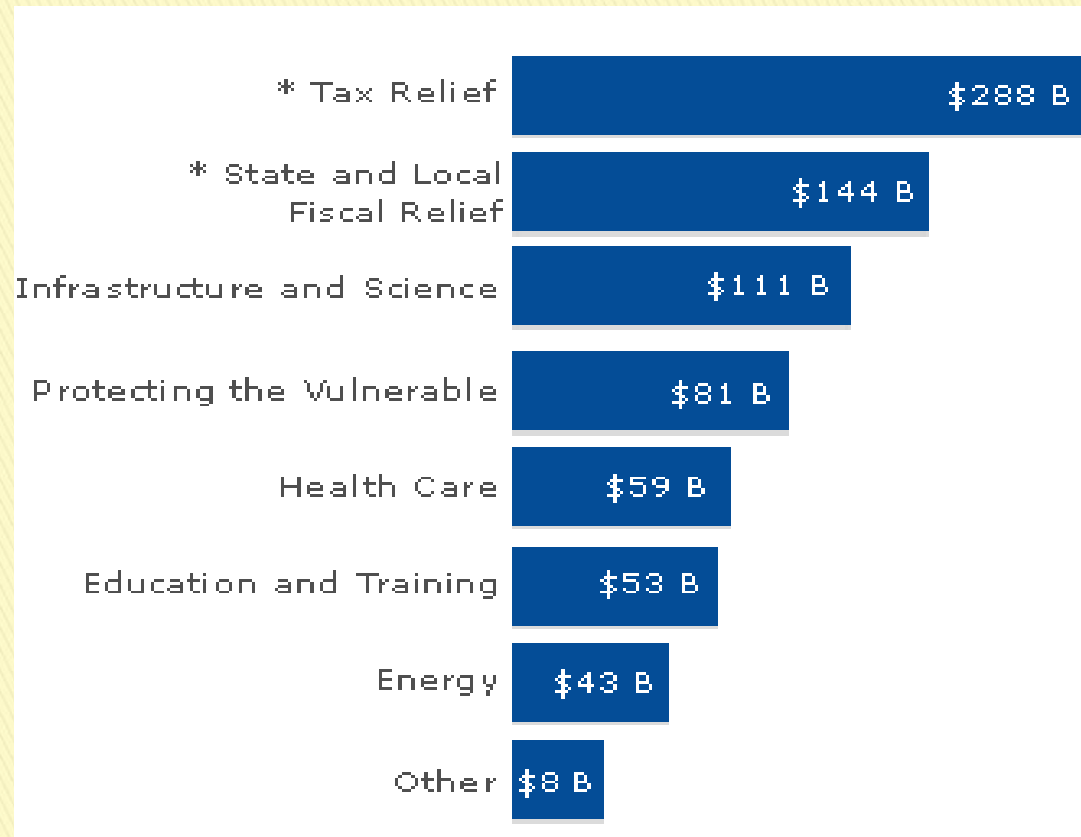
Navigating the American Recovery and Reinvestment Act of 2009

Joint Finance–Appropriations Committee
February 23, 2009
Division of Budget & Policy Analysis

H.R. 1 – ARRA

- ▶ SECTION 1. Title “American Recovery and Reinvestment Act of 2009”
- ▶ SECTION 2. Table of Contents
 - Division A
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 - Division B
 - TAX, UNEMPLOYMENT, HEALTH, STATE FISCAL RELIEF, AND OTHER PROVISIONS
 - TITLE I – TITLE VII (seven titles)
- ▶ SECTION 3. Purposes and Principles (statement of purposes)

Where is your money going?



•**Tax Relief** – includes \$15 B for Infrastructure and Science, \$61 B for Protecting the Vulnerable, \$25 B for Education and Training and \$22 B for Energy, so total funds are \$126 B for Infrastructure and Science, \$142 B for Protecting the Vulnerable, \$78 B for Education and Training, and \$65 B for Energy.

State and Local Fiscal Relief – Prevents state and local cuts to health and education programs and state and local tax increases.

Source: recovery.gov

SECTION 2. Division A

- ▶ TITLE I – Agriculture, Rural Development, Food and Drug Administration, and Related Services
- ▶ TITLE II – Commerce, Justice, Science, and Related Agencies
- ▶ TITLE III – Department of Defense
- ▶ TITLE IV – Energy and Water Development
- ▶ TITLE V – Financial Services and General Government
- ▶ TITLE VI – Department of Homeland Security
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- ▶ TITLE VIII – Departments of Labor, Health and Human Services, and Education and Related Agencies

SECTION 2. Division A continued

- ▶ TITLE IX – Legislative Branch
- ▶ TITLE X – Military Construction and Veterans Affairs and Related Agencies
- ▶ TITLE XI – State, Foreign Operations, and Related Programs
- ▶ TITLE XII – Transportation, Housing and Urban Development, and Related Agencies
- ▶ TITLE XIII – Health Information Technology
- ▶ TITLE XIV – State Fiscal Stabilization Fund
- ▶ TITLE XV – Accountability and Transparency
- ▶ TITLE XVI – General Provisions – This Act

SECTION 2. Division B

- ▶ TITLE I – Tax Provisions
- ▶ TITLE II – Assistance for Unemployed Workers and Struggling Families
- ▶ TITLE III – Premium Assistance for COBRA Benefits
- ▶ TITLE IV – Medicare and Medicaid Health Information Technology; Miscellaneous Medicare Provisions
- ▶ TITLE V – State Fiscal Relief
- ▶ TITLE VI – Department of Homeland Security
- ▶ TITLE VII – Broadband Technology Opportunities Program
- ▶ TITLE VIII – Limits on Executive Compensation

Online Navigation

- www.recovery.gov – Official White House website
- www.gpo.gov – U.S. Government Printing Office
- www.conferencereport.gpoaccess.gov – Congressional record of Conference Report and Joint Explanatory Statement
- www.rules.house.gov – U.S. House of Representatives, Committee on Rules
- www.ncsl.org – National Conference of State Legislatures website
- www.stateline.org – Council of State Governments (CSG) news alerts for state governments

Handouts

- ▶ Joint Explanatory Statement of the Committee of Conference pages 505 – 509 on Title XIV – STATE FISCAL STABILIZATION FUND from GPO
- ▶ Marked up page one from the U.S. House of Representatives, Committee on Rules, for Title XIV – STATE FISCAL STABILIZATION FUND
- ▶ Potential Funding for Idaho (FFIS)
- ▶ Congressional Budget Office Estimate on Budgetary Impacts of ARRA

Keys to Understanding the Bill

- ▶ H.R. 1
- ▶ Conference Committee Report
- ▶ Joint Explanatory Statement of the Committee of Conference
- ▶ State agency contacts with federal agencies and associations representing state agencies
- ▶ State gubernatorial and legislative staff contacts with congressional offices
- ▶ Contact with state agencies who may receive funding either directly or as pass-through

Div A, Title XIV State Fiscal Stabilization Fund

- ▶ Treated as state revenues – \$246,577,000
- ▶ State allocations
 - 61% on population between 5 and 24
 - 39% basis of relative population
- ▶ Awarded to the Governor – \$201,700,000
 - After 2 years the Governor shall return if not awarded as sub-grants or otherwise committed
 - 81.8% to support elementary, secondary, and higher education
 - Under the state's funding formula restore to public schools in each of 2009, 2010, and 2011 the level of state support provided that is the greater of fiscal year 2008 or 2009 level.
 - Provide to higher education in each of 2009, 2010, and 2011 the amount needed to restore the level of state support that is the greater of fiscal year 2008 or 2009 level.
 - Remainder to local educational agencies based on Title 1 formula.

Div A, Title XIV State Fiscal Stabilization Fund continued

- ▶ 18.2% or \$44,877,000 allocated for public safety and other government services, which may include education services.
- ▶ May be used for elementary, secondary, and higher education modernization, renovation, and repair activities consistent with state law.
- ▶ Governor makes application:
 - Includes assurances that the state will maintain funding for education at least at the levels of fiscal year 2006; and
 - Address four key areas: equity in teacher distribution, establish a longitudinal data system, enhance the quality of academic assessments, and ensure compliance with corrective actions required for low-performing schools.
- ▶ The state will submit detailed annual reports to the Secretary of Education.
- ▶ GAO shall conduct evaluations.
- ▶ Secretary of Education will report to Congress.
- ▶ Act prohibits financial assistance to private elementary and secondary schools.

Div A, Title XVI General Provisions

– This Act

- ▶ Preference for quick start projects
 - Goal to use 50% of funds on projects that can be started within 120 days.
- ▶ Period of Availability
 - Available for obligation until September 30, 2010
 - 2nd quarter of state fiscal year 2011
 - 1st quarter of federal fiscal year 2011
- ▶ Funds cannot be used for casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.
- ▶ Use of American iron, steel, and manufactured goods required with exceptions.
- ▶ Wage rate requirements

Div A, Title XVI General Provisions

– This Act continued

- ▶ **CERTIFICATION BY GOVERNOR.**— Not later than 45 days after the date of enactment of this Act, for funds provided to any State or agency thereof, the Governor of the State shall certify that: (1) the State will request and use funds provided by this Act; and (2) the funds will be used to create jobs and promote economic growth.
- ▶ **ACCEPTANCE BY STATE LEGISLATURE.**—If funds provided to any State in any division of this Act are not accepted for use by the Governor, then acceptance by the State legislature, by means of the adoption of a concurrent resolution, shall be sufficient to provide funding to such State.
- ▶ **DISTRIBUTION.**—After the adoption of a State legislature's concurrent resolution, funding to the State will be for distribution to local governments, councils of government, public entities, and public-private entities within the State either by formula or at the State's discretion.

Div B, Title V – State Fiscal Relief

- ▶ The purposes of this title are as follows:
 - ▶ (1) To provide fiscal relief to States in a period of economic downturn.
 - ▶ (2) To protect and maintain State Medicaid programs during a period of economic downturn, including by helping to avert cuts to provider payment rates and benefits or services, and to prevent constrictions of income eligibility requirements for such programs, but not to promote increases in such requirements.
- ▶ Reflected in appropriation adjustments in the Medicaid programs.
 - Increase federal appropriations
 - Decrease general fund appropriations
- ▶ States receive an increase of 6.2 percentage points over a 27-month period.
- ▶ States with large increases in unemployment receive additional increases directly proportional to their unemployment rates.

Idaho Executive Order 2009-06

- ▶ State agencies anticipating federal funds shall submit a plan to DFM by noon on March 4, 2009.
- ▶ State agencies requesting federal funds shall submit a plan to DFM by noon on March 4, 2009.
- ▶ Anyone outside of state government who believes they are eligible to receive federal money and want the Governor to submit a request on their behalf must submit a plan to DFM by noon on March 4, 2009.
- ▶ No state agency may apply for funds without prior written permission from the Governor.
- ▶ A Committee shall be appointed by the Governor to review the plans and submit recommendations to the Governor by March 19, 2009.
- ▶ EO 2009-06 does not preclude local governmental entities, including local educational entities from applying for federal stimulus funds.
- ▶ All information and recommendations are public records.